



US Department of Housing and Urban Development
Fresno Area Office – 2135 Fresno Street – Fresno, CA 93721

Office of the Director

May 15, 2005

Honorable Arnold Schwarzenegger
Governor, State of California

Dear Governor:

Last year, a report of the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley to President Bush was sent to you by the Chair of the Task Force, the Secretary of the US Department of Housing and Urban Development, Alphonso Jackson. I submit to you now a summary and update of that report.

In that report, the Task Force identified the accomplishments, issues and opportunities, and action plan along with recommendations to the President for strengthening the Task Force in its efforts to bring the Valley into economic parity with the rest of the nation.

The Task Force also identified many strategies which it needed to advance to achieve its mission. One of those strategies was: *To work closely with the Governor and the State Agencies that relate to the Task Force Initiatives*. The report stated: "Bringing state agencies into the process with a shared commitment to seeking ways to address the needs of the Valley is critical to achieving the goals of the executive order.

In the letter of transmission of the report to you on August 13, 2004, Secretary Jackson said "A state task force would be an excellent complement to the federal task force and an opportunity to enhance further this model of federal/state cooperation." As one of my colleagues, who has engineered millions of federal dollars into the Valley, has said: "I think the important point to make to the Governor is that the regulatory and financing agencies of the state need to be at the table since federal programs can go only so far in meeting the needs of the Central Valley and many of our federal programs work through state agencies."

Sincerely yours,

A handwritten signature in black ink, reading "Rollie Smith", is positioned above the typed name.

Rollie Smith, Coordinator
Interagency Task Force

**Interagency Task Force for the Economic Development
Of the San Joaquin Valley 2003-2005
May 15, 2005**

This report summarizes and updates the June, 2004 report to the President of the accomplishments and plans of the Interagency Task Force established by Executive Order implemented in 2002 and amended in 2004. The Task Force, after listening sessions with the economic development community in seven counties of the region adopted a strategic plan with four initiatives, 1) Jobs/Business Development, 2) Clean Air/Clean Energy, 3) Asset Development, and 4) Rural Infrastructure. Each initiative is run by a working group from federal, state, and local business, labor, and community organizations which have developed and resourced the following projects.

I. Specific Outcomes to Date. About \$150 million in funds related to the Initiatives of the Task Force have been directed to the Valley over and above regular, formula, and state pass through funds. These include:

Name	Location	Description	Primary Agency	Initiative
Rural Development	Throughout Valley	Housing and job projects	USDA/HUD	Jobs/Rural Infrastructure
Diesel clean up	Throughout Valley	Busses, locomotives	EPA	Clean Air/Clean Energy
Brownfields	W Fresno, North Fork, Merced	Land clean up for construction	EPA/HUD	Jobs
Transportation Planning	Merced, GVC, Valley	Coordination planning	DOT/FTA	Jobs-CA/CE
Small Business	Valley wide	Major increase in small business loans	SBA	Jobs
Workforce Ctr., Bus Incubator, Golden Capital Network, Industrial Parks, UC Ag Tech Ctr	Dinuba, Fresno, Kings Valley, Fresno, Hanford GVC	Infra structure , new capital investment, business planning	EDA	Jobs
Alternative Fuel	W Valley	Research	USDA	Jobs-CA/CE
Yosemite Village	W Fresno	Housing Construction	HUD	Jobs-CA/CE
Water Technology Ctr	CSU Fresno	R & D	EPA	Jobs-CA/CE
Support Services	Valleywide	Health Centers, IDA, Youth Sevices	HHS	Jobs-Asset Development
Energy Efficiency	Modesto, Fresno, Valley Wide	Auditing, Planning, Technical Assistance	DOE	CA/CE

II. Concrete Projects in the Works. A significant expenditure of federal agency staff and volunteer time has been spent organizing these projects of the Task Force initiatives, which are awaiting final action for implementation.

1. RESPA grant to GVC from DOT for developing regional transportation planning mechanism and designation of regional transportation corridor.

2. Red Rock Biodiesel Proposal to CSU Fresno (EPA/DOE)
3. Regional Diesel Emissions Reduction Collaborative (EPA)
4. Veggie Fuel Consortium in West Valley including canola oil production, additive certification, diesel production through tire recycling, hybrid motor production (HUD, DOE, USDA, SBA, EPA)
5. Pilot project in Tulare to be extended to all counties to recapture income tax credits, food stamp revenue of about \$800million per year (FDIC, IRS, SSA, USDA/FNS,
6. Merced County Regional Utilities Project with the MCEDC for developing infrastructure for economic growth.
7. W Stanislaus County Development Center for work force, asset development, self-sufficiency and job creation—Newman School District (DOL, USDA, HUD)
8. Four-County Pre-Apprentice Program for developing high skilled career construction workers through Joint Training Partnership. (DOL, HUD)
9. Roundtable with Banks in business—starting with June 16 meeting organized by FRB, FDIC, OTC, OCC—follow up on specific business proposals relating to the four Task Force Initiatives.
10. The Task Force is also involved in other projects of local partners relating to the four initiatives.

III. Projects on the Drawing Board. These are projects that the Task Force and its partners are in process of organizing. They have yet to be fully planned but are on the agenda of the initiative working groups.

1. **Rural Infrastructure.** Finalize organization of two pilots, one in Tulare/Kern another in Merced organizing rural water districts through joint power agreements for funding improvements.
2. **Regional Energy Infrastructure.** Create mechanism for planning and training in energy efficiency for all cities and businesses, for promoting renewable energy and innovative clean energy industry. (DOE, EPA, HUD)
3. **Valleywide Asset Development.** Take Tulare pilot and organize in each county (FDIC, IRS, SSA, USDA/FNS) to reclaim up to \$1b a year for low income people and develop through IDAs and other products assets for people for housing, business, and investment.
4. **Regional Transportation Plan.** Under leadership of the Great Valley Center, work with all COGs to create regional transportation planning mechanism and regional transportation corridor.
5. **SE Asian Trade.** Build on International Trade Conference to build SE Asian and other business through trade in SE Asian countries.
6. **Central Valley Commission.** Using the Congressional Research Services Report, develop legislation for a Commission, with budget similar to the Appalachian Commission, which would be the ongoing successor to and expand the work and resources of the Interagency Task Force.

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